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## 4. SOUTH KOREAN ARMY CHIEF CRITICAL OF COUNTRY'S POLITICAL LEADERSHIP

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States. Chong lat that his remarks of the army's loya	South Korean army chief of staff Chong Il-kwon told Under Secretary Hoover during a briefing on 7 October that the South Korean military establishment eration and complete loyalty to the United er told an American embassy official were intended to convey a sincere pledge lty 'in contrast to the attitude of the poli damaging South Korean-US relations."

In earlier talks between President Rhee and Hoover, the president did not raise any substantive issues. Shortly thereafter, however, inflammatory articles directed against the United States appeared in Rhee's own newspaper.

Comment

Chong, who asserts that 14 of the 20 division commanders are his followers, has expressed his determination on several occasions to block any irrational military action by Rhee.

Chong's attempt to develop status as the United States' most reliable supporter in South Korea reflects his growing political ambition and his determination to develop powerful American support for his future moves. Chong's term as chief of staff expires in February 1956, and he may wish to assure himself of American backing for another term in what he considers the country's key position.

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## 5. JAPANESE EXPORT CREDITS TO BURMA MAY OBVIATE NEED FOR US AID

25X1A The Japanese embassy in Rangoon has indicated that negotiations for a shortterm Japanese loan to Burma, in the form of export credits amounting to approximately \$12,000,000, are about to be concluded. The American embassy comments that this loan, together with the recent Indian agreement to provide credits amounting to \$40,000,000, slightly exceeds the immediate foreign exchange requirements of the Burmese government. Rangoon may, therefore, for political reasons terminate negotiations for American assistance.

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